

Straight Talk

Brought to you by the Nellis AFB Housing Privatization Office

Volume 1 • Issue 4

Hello!

Although the Nellis housing privatization project has had to clear a few more hurdles in the recent months, the project is back on track. Housing privatization is a complex task with many steps in the process before the actual transaction can be closed. It involves many entities including several government agencies, private developers, and contractors, lending institutions, utility companies and financial institutions. The project spans 50 years and each step of the process is evaluated and scrutinized before being approved.

With so much happening and so many participants involved, occasional delays can be expected before the first shovel of dirt can be moved and the construction of new homes can begin. The Department of Defense (DoD) wants to ensure that all the project details are correct. Project requirements are evaluated and reviewed several times during the approval process. Lessons learned from other bases' privatization projects are reviewed and may need to be implemented to avoid any potential problems that may be encountered at Nellis before the transaction is closed. Although delays in a project of this magnitude can be expected, rest assured that everything is being done by the Air Force to insure the best quality deal for all involved. In this issue of Straight Talk, we will examine the series of events that will occur after closure of the transaction. **"Center Stage"** will address what will



happen to present family housing and how privatization will affect the present occupants of military family housing.

Center Stage

Once the transaction is closed, the Developer assumes control of all existing housing. The present family housing residents will be given the choice to either remain in their present home under privatization, or move off-base. The Air Force will fund the off-base move. The Air Force will also be responsible for moving members presently residing in homes to be replaced, to new privatized homes once they are constructed. For those choosing to remain on base, the Developer will have an Air Force approved lease for each tenant. The military member, being the tenant, will be required to sign the lease. The member's applicable BAH will be received directly by the Developer through an allotment.

The Developer has one year to install utility meters on the 350 homes in new Nellis Terrace and the SOQs in Manch Manor. Once meters are installed on those units, the military members who reside there will receive his/her determined utility allowance. Their rent will then be adjusted to the formula: Rent = BAH-110% of the estimated utility allowance. Here is an example of how this formula works: BAH for E1-E4 is currently \$775. If the average utility rate is \$120 a month, the utility rate is \$132 ($\$120 + \12 (10%) = \$132). The rent for the residence would be \$643 ($\$775 - \132).

The homes scheduled for replacement will not be metered. Residents of these homes will continue to pay their entire BAH to the Developer. The Developer is responsible for paying the utilities at these locations. The new homes constructed under privatization will have meters installed at the time of construction. Once a military

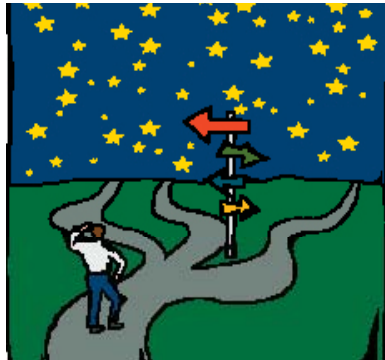
member signs a lease for the new privatized home, they will receive a utility allowance based on the rent/utility formula. The lease outlines all the occupants' responsibilities while residing in a privatized home. Military married to military will pay rent based on the ranking member's BAH with dependant rate. The spouse will continue to collect BAH at the single rate.



Where We Stand

The estimated date for the release of the RFP is October 03. Since all other project milestones are dependent on the RFP release date, they have been adjusted accordingly. This is a very fluid process. If for any reason a delay is encountered in one of the many approval steps, the entire timetable may need to be adjusted. Many of the steps are dependent on the approval of the preceding occurrences. In May 2002 Nellis held its Industry Forum, which was hosted by the Privatization Support Contractor (PSC). The Industry Form was the introduction of the Nellis project to developers, contractors, and public officials. The Industry Forum's main goal was to attract potential developers to consider bidding on the Nellis project. Due to project delays and the length of time involved in curing the delays, interest in the Nellis project had to be re-kindled. A Presolicitation Conference was held in August 03 to do just that. As with the Industry Forum, the Presolicitation Conference was designed to attract and also reacquaint developers and civilian

government officials with the Nellis project. In anticipation of the RFP being released in October, the Nellis Acquisition Support Team (AST) recently received training from Air Force Center for Environmental Excellence (AFCEE), and the PSC. Once the RFP has been released, developers may submit their plans for the construction of new homes and the management of the housing areas. The AST is tasked to evaluate these proposals, ensure that all the requirements in the RFP are met, and eventually select the one developer that will build and manage the privatized housing areas.



Down the Road

HRMA Brief	May 03
Presolicitation	Aug 03
Issue RFP	Oct 03
Close Transaction	Aug 04



Questions of the Month

- ***Is it true that civilians or retired military members/families can occupy privatized housing?***

Other than referred military members with families, other tenants will be offered family housing ONLY if the occupancy rate falls below 95% for three consecutive months. Any

lease to a 'non-referred' tenant is limited to one year and this rent is based on market rate (not BAH). Also, the Developer is only allowed to rent enough units to non-referred customers to bring the occupancy rate up to 95%. When making units available to other than referred military, the developer will use the following order:

- Other Active Duty military Members
- Federal/Civil Service Employees
- Retired Military Members/Families
- Active Duty Guard and Reserve Military Members/Families
- Retired Federal Civil Service
- DOD Contractor/Permanent Employees (US Citizens)
- General public

With our missions and military strength, one can readily see that non-military living in our family housing is an extremely remote possibility.

- ***If I have to pay to live in a privatized home, wouldn't it be cheaper to live off-base?***

The advantages of living in a privatized home were addressed in Issue 3. However, it is all a matter of individual choice.

- ***Can I keep firearms in a privatized home?***

Air Force Instruction 31-101/ Nellis Supplement 1 covers this issue. Contact the Nellis Security Police for guidance on this subject.

Readers are encouraged to submit questions to:

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